NRN FOCUS

SECURITY

Theft by employees hits operators the hardest

(Continued from page 21)
over means they do "a lot of crisis hiring." Many applicants falsify credentials. "When they get in, they have a lower opinion of the organization because they put one over on you," Prestia maintains. Their next step is to steal from you.

Bob Curtis, another security consultant, markets a screening test that he says weeds out the "sociopathic types," the ones most likely to steal.

Joseph Taylor, an officer of a New York-based security firm, says food-service operators should perform extensive background checks on prospective employees: looking at information like public conviction records, interviewing former employers and neighbors and friends, following up on cited references and running credit checks through a bureau.

Laws regarding privacy in certain states, however, may prohibit some investigatory measures. This is especially true of the use of the polygraph, or lie detector. But it is used, increasingly.

Uses Polygraph

Fred Drachler, executive vice president of Bobby McGee's Conglomeration, a Western restaurant chain, says he has internal-security problems under control and cites the use of the polygraph as one reason.

"We will polygraph all new management recruits," he says. "We want to make sure they have the integrity we're looking for. It's just one more measurement, along with interviews and testing and references."

Drachler also says he refuses to be a reference for any former employee who has been caught stealing; and if a prospective employer of the thief calls, Drachler will tell about the theft. "If more companies did that, there'd be less problems in the industry as a whole," he says.

What actions do companies take when a manager, cook, cashier or accountant is caught stealing? Some actively seek prosecution in the courts, while others quietly dismiss the offender. Most try to get back what was stolen, but few are optimistic that they will succeed.

Tom Briggs, director of security for KFC Corp., believes in vigorous prosecution for felony thefts. He reports "terrific cooperation" from police and courts and says the company has recouped losses through court-ordered restitution, which is often a stipulation of probation. "We had a lot of success," he says.

Burger King's Schulgen agrees with this stand. "My contention is a thief is a thief. I'd like to put him through the court system and let the court do paybacks." Asked about his success, he says, "We get back money once in a while."

Others point out the difficulties in prosecuting internal theft, citing the relatively small amounts of money involved and the lenient attitudes of prosecutors, judges and juries. Because the amount a person is caught stealing is often small, prosecutors may not be interested in pursuing the complaints. To get a good case, says one consultant, you probably need to set up a suspected employee with market money.

The judicial system treats white-collar criminals too leniently, says Terry Foster, former director of security for Ponderosa. They often get "a slap on the wrist" and then go back to work again in the same kind of business, he says.

Ken Prestia advises restaurateurs and hoteliers to handle internal theft administratively and "never take it into the courtroom." He says jurors are unsympathetic toward corporations and look for reasons to acquit the people accused of stealing from them. "When it occurs, you may have a lawsuit on your hands," he says. "It's happened to me and it's just not worth the risk."

Some security people, like Gene Pridgen, director of risk management for Spartan Food Systems, operator of Hardee's and Quincy's, do handle the problems internally and report reasonably good success. In his stores, if a thief confesses, he is often allowed to keep working and pay back what he owes. "Most of the time it works quite well," he says. In other cases, depending upon the nature of the crime and the criminal, restitution is ordered through the courts.

Most often, though, restaurants either recoup their losses through claims on their fidelity insurance—which is like the bonding of their employees—or, if they decide not to pay the fidelity premiums, eat the losses. None of the restaurant chains contacted would reveal losses due to theft.

To prevent internal theft loss, security directors work with managers to establish systems and policies. These may be relatively simple procedures, like requiring employees to have packages checked on their way out of work, or making sure they don't have too-easy access to their automobiles during work hours.

Other controls involve the use of special equipment like computerized registers and the "talking key," a time-recorder lock that prints out on paper the time, date and identifying number of the person whose key opened the lock to the restaurant.

Areas inside restaurants that managers have to watch most closely depend upon the type of product sold. A restaurant that sells a lot of high-priced foods like steaks and lobsters, for instance, might pay more attention to backroom policies. But, if the food in the freezer doesn't have a high resale value, the main drain on the business is likely to occur at the point-of-sale—the cash register.

Cashiers can avoid ringing up sales or ring up portions of sales and then pocket the money, or they can give away merchandise to friends for free or at reduced prices.

"The main thing is to make people responsible for the money they handle, whether it's the girl controlling the register or the manager," says Mike Schulgen. "Your mysterious disappearances start to subside" if you do, he says.

Some stores and chains contract for shopping services to keep eyes on their employees. Shoppers make purchases in stores, observe how the employees handle the cash and merchandise, and then write reports on what they've observed. When a thief is found out, the company can decide how to confront him and whether to prosecute.

Ken Walker, director of security for Host International's Eastern region, makes a point of telling his employees that shoppers are being used. This not only controls theft, he says, but monitors effective salesmanship. "We use it to pat our good people on the back. It's a heck of a good morale tool."

One device that effectively monitors the movement of money and merchandise is the computerized register. KFC uses these registers, says Tom Briggs, and they provide a continuous inventory of food. "Any loss of product shows up immediately and that triggers management response," he says.

"The only way to know what you're losing is to know what you have and know where it goes," says Emil Monda, director of security for Burger Chef Systems.

The more frequent the inventory the better. Gene Pridgen says Spartan Foods requires major inventories once a month and minor inventories once a week. Some operators do surprise audits of inventories. Others require small inventories at the end of each shift. Fred Drachler of Bobby McGee's says managers count steaks when they come on duty and again when they leave. At the end of each night all items sold are checked against inventory issue sheets. This reconciliation takes an hour every night, but he feels "it's an hour well spent."

Even with inventories, losses of product are sometimes hard to determine. What appears to be pilferage, says Emil Monda, may be waste of merchandise, improperly handled employee meals, or some accounting problem.

That difficulty in pinnning down theft loss is probably one reason why it is often under-reported, businessmen believe. "Our loss in pure dollars I don't know," says Lee Winckler, safety and security manager for Dobbs House Inc. "We look at a shrinkage rate based on food cost, but shrinkage is due to a number of factors; theft is just one factor."

Much product theft occurs before it even reaches the freezers. Bob Curtis says restaurants have "a severe back door problem." Often a dishonest cook or dishwasher will team up with a dishonest trucker to steal large quantities of food, he says.

Consultant Joe Taylor believes chain restaurants lose a lot of product in transit between the warehouse and the backroom. He says undercover people can be used to expose these thefts.

(Continued on page 28)

Statistics indicate sources of restaurants' fire losses

Recently released statistics show that there were more than 16,000 restaurant fires in 1980, resulting in property losses of over $150 million.

The statistics are estimates based on data collected by the National Fire Data Center in Washington.

The specific figures, according to the center, are 16,227 fires and $156,745,000 in property losses. The fires resulted in an estimated 262 injuries and 49 deaths.

These figures indicate that fires are still a major security concern of restaurants.

The following table classifies the reported fires according to their causes, and shows the percentages of fires, injuries and property losses that can be attributed to each cause.

LEADING CAUSES OF RESTAURANT FIRES

Cause	% of Fires	% of Injuries	% of Property Loss
Heating	5.3	12.4	4.5
Cooking	36.7	34.6	20.4
Arson (Suspicious Origin)	19.2	23.5	33.3
Smoking	6.1	0.0	6.2
Electrical	9.1	4.9	7.7
Appliances	4.8	3.7	1.8
Children Playing	0.6	1.2	0.1
Other Equipment	4.6	3.4	3.7
Exposure (From Source Outside Restaurant)	1.7	0.0	3.7
Natural (Lightning)	0.9	4.9	0.8
Open Flame or Heat	2.3	4.9	0.9
Other Flame or Heat	1.4	1.2	0.8
Unknown Cause	7.3	4.9	16.1

Source: National Fire Data Center, Washington

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PROFILE: HANS PRAGER

Restaurateur puts accent on service—Page 21

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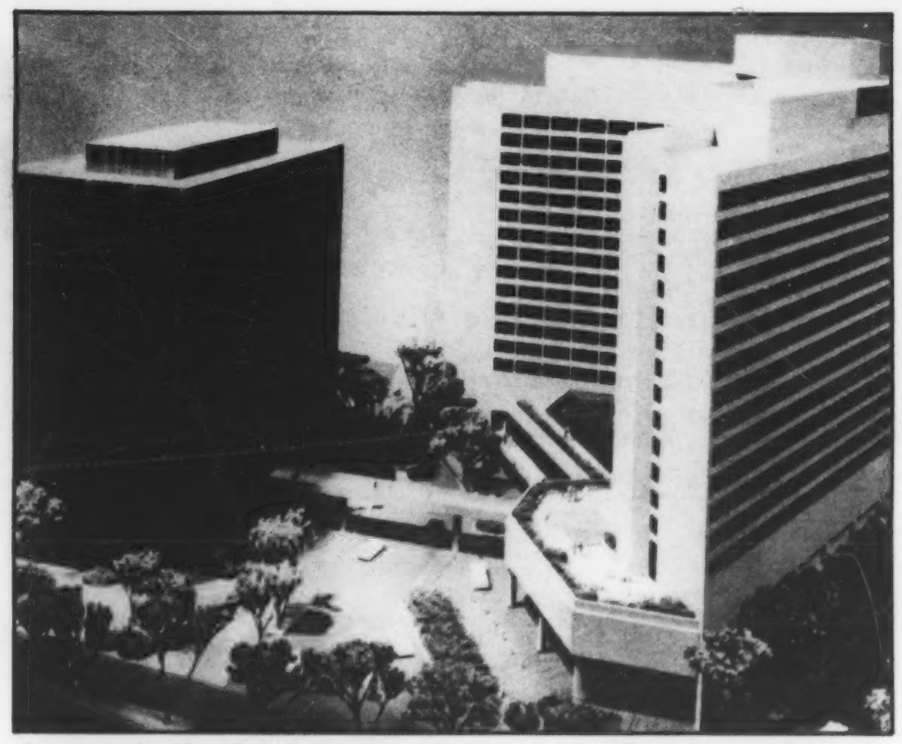


A surge in the development of new airport hotels—such as the just opened 615-room Hyatt Regency Crystal City near Washington, D.C. National Airport—is being fueled by increased consumer interest in the conveniently located facilities.

Senate probes labor union for alleged mob connection

Union leaders deny charges

By Ken Rankin

WASHINGTON—The Hotel and Restaurant Employees Union is so "completely dominated by organized crime" that it's questionable whether the nation's food-service workers will ever be able to oust the "hoodlums" in charge of their labor movement, U.S. Justice Department investigators charged.

Some of the labor leaders named have responded with accusations of their own, hinting a spate of current labor probes are a vendetta on the part of Federal and local officials.

The latest allegations of corruption, racketeering and Cosa Nostra control over the 380,000-member international restaurant employees union surfaced during a new series of Congressional hearings designed to measure the extent to which organized crime has infiltrated the nation's largest food-service labor organization.

The answer to that question—from both Federal and state law enforcement officials who testified before the Senate Permanent Subcommittee on Investigations late last month—indicates a pattern of syndicate influence over the union's leadership that extends from the organization's international headquarters to a majority of restaurant worker "locals."

Concurrent with the Senate subcommittee hearings are parallel probes of the union's activities by the Federal Bureau of Investigation, the U.S. General Accounting Office and a variety of state and local law enforcement agencies.

Significantly, these investigations are only the latest in a

(Continued on page 73)

Airport hotels soaring above cloudy economy

By Joe Edwards

Once considered a place to stay only if unfortunate circumstances dictated it, airport hotels have been attracting hordes of willing guests by offering upgraded food service, expanded meeting spaces, attractive amenities and facilities, and lower rates than their downtown counterparts.

By all accounts, airport hotel business is booming. Major chain operators are building new hotels and upgrading and expanding facilities at major airports in New York, Atlanta, Washington, Dallas-Fort Worth, Los Angeles and other cities.

One main reason for this surge in airport hotel development is increasing consumer interest in such properties, as evidenced by an occupancy rate of 72.4% in the first three months of this year. That figure is well above the 63.3% occupancy rate for all hotels and motels, according to Laventhol & Horwath, an accounting firm which tracks the industry.

That high occupancy rate for airport hotels in the first quarter is only part of the story. The top 34 airport hotels last year reported a median annual occupancy rate of 80%, led by two Holiday Inns at airports in Miami Springs and Los Angeles which reported 96% occupancy rates.

The lodging industry's top performing hotel in terms of room sales in 1981 was the Ramada Inn at Chicago's O'Hare International Airport, according to *Lodging Hospitality* and Laventhol & Horwath.

(The recession has taken its toll at airport hotels, however. Occupancy in the first quarter of this year is about the same as it was in the same period in 1981, and the Holiday Inn at the airport in Los Angeles now reports an occupancy rate of about 92%.)

For hotel developers, airport sites are among the most desirable because they are cheaper to build and enjoy a multiple demand, attracting airport travelers, motorists from highways and guests from nearby shopping complexes, office buildings and suburban neighborhoods.

It is no surprise, then, that

(Continued on page 74)

Quaker sells Magic Pan division

CHICAGO—Quaker Oats Co. has sold its troubled San Francisco-based Magic Pan restaurant division to a group of investors, identified as Bay Bottlers Ltd. of Oakland.

The new Magic Pan International Inc. will include 89 of the restaurants. A seven-month search for a buyer ended when an agreement to purchase was signed June 18, beginning an escrow period scheduled to close Aug. 31. Price and terms were not disclosed.

The buyers, whose identity was revealed in a Mailgram from Magic Pan president James J. Durkin to unit managers, are rumored to have extensive experience in motels, hotels and restaurants. They were busy investigating the conditions of leases on the Magic Pan properties and notifying landlords following the agreement.

In San Francisco, the mood of Magic Pan management was "very positive," according to marketing vp Tim Ryan, who said the buyers' infusion of capital and "more aggressive stance in terms of food service" were encouraging.

Quaker announced that two restaurants would close in the interim as leases expire. The sale includes three of the division's four Proud Popover units; the fate of the fourth was uncertain. Quaker showed a $20.3 million special charge against income in the fourth quarter ended June 30 on the sale of the nationwide chain.

Quaker had announced as long ago as last November that Magic Pan was a candidate for divestiture. The chain's revenues for fiscal year 1982 ended June 30 are estimated at $77 million, about 2% of Quaker's total sales. The restaurants will show a $6 million loss for the year, according to a Quaker spokesman.

Sales for fiscal 1981 were $83 million, down from $88 million in the preceding year.

Magic Pan president Durkin said that the new owners regard the existing chain operations as a "strong core business" for their intended operational strategy, but he indicated that changes are likely.

"We must look at [the Magic Pans] on an individual basis," Durkin said. "If the real estate is good, but mismatched to the

(Continued on page 73)

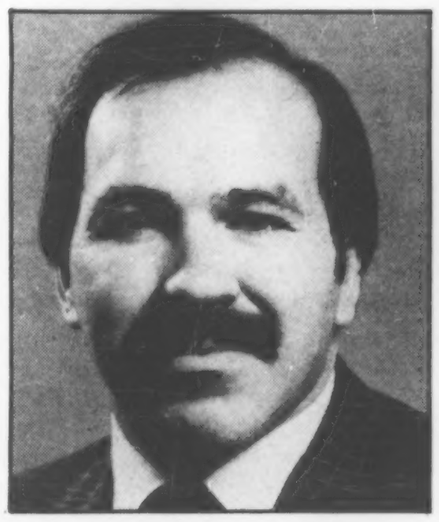
LATE NEWSBREAKS

Holiday Inns is building a second Harrah's Atlantic City hotel-casino in a joint venture with the New York-based Trump Organization. A 1984 opening is slated for the $200 million Harrah's Boardwalk facility, which will be adjacent to the Convention Center.

Wienerschnitzel International, Newport Beach, is following its conversion from a hotdog menu emphasis to a hamburger concept image with tests of a $1.29 croissant breakfast and $1.59 fried chicken sandwich. Story, page 26.

Jack-in-the-Box, 790-unit San Diego-based fast feeder, has roiled out three new meal-sized salads: a chef's salad, a taco salad and a chicken salad. Each sells for $2.19. Story, page 53.

Tony Roma's, Miami-based operator of 26 barbecue ribs restaurants, will open its second drive-thru, takeout unit in September in Deerfield Beach, Fla. The new unit will include indoor seating this time. Story, page 14.



Richard A. Niglio

Terrance Collins

Niglio replaces Collins as Victoria Station ceo

By Richard Martin

LARKSPUR, Calif.—Terrance Collins has resigned as Victoria Station's president and ceo in a dispute with the VS board of directors over the company's future course. The board immediately named Richard A. Niglio as Collins' replacement as chief executive when the resignation takes effect Aug. 1.

Niglio, 39, has been vice president and general manager of the fast-food (Mr. Donut) and restaurant division of Minneapolis-based International Multifoods for several years.

Collins' resignation, little more than a year after signing on with the troubled chain, took many company officials and shareholders by surprise. Victoria Station had just released fiscal 1982 figures showing the company's first annual profit since 1979.

Speculation centered on differences over Collins' proposed conceptual realignment of the railroad-themed dinnerhouse chain as the basis for the upheaval.

The board "clearly did not" vote to ask for Collins' resignation, senior vp and chief financial officer Robert A. Gunst told *Nation's Restaurant News.*

(Continued on page 74)

The 1982 Golden Chain winners: (l. to r., top row) Charles Bradshaw, Trans World Corp. food service vp; Norman Brinker, Burger King chairman and Pillsbury restaurant group president; Robert Bryant, Dobbs Houses president; (middle row) John Cauley, Friendly Ice Cream president; Vern Curtis, Denny's president, and (bottom) William Edwards, Hilton.

Six named MUFSO Golden Chain winners for 1982

NEW YORK—Six presidents of leading chains and restaurant groups have been selected as *Nation's Restaurant News'* Multi-Unit Food Service Operators (MUFSO) Golden Chain winners and as the candidates for MUFSO man-of-the-year.

Chosen by a recent vote of last September's MUFSO conference panelists and speakers are 1982 Golden Chain winners Charles Bradshaw, Trans World Corp. food service senior vice president (including Canteen Corp.) and Spartan Food Systems chairman; Norman Brinker, president of Pillsbury's new restaurant group as well as Steak & Ale and Burger King chairman; Robert Bryant, Dobbs Houses president and parent Carson Pirie Scott vice chairman; John Cauley, Friendly Ice Cream president; Vern Curtis, Denny's Inc. president, and William Edwards, Hilton's hotel division president.

The MUFSO man-of-the-year, the chain executive who is felt to have done the most for the food-service industry, will be selected by vote of *Nation's Restaurant News'* readers.

Awards will be presented to the six Golden Chain winners and to the man-of-the-year at *NRN*'s annual MUFSO awards banquet in the Washington Hilton Tuesday evening, Oct. 26.

Last year's six Golden Chain winners, hailed at the awards banquet in the New Orleans Fairmont Hotel, were Gene Bishop, Morrison Inc. president; Ray Danner, Shoney's Inc. president; Jack Goodall, Foodmaker president (Jack-in-the-Box); Ernest Renaud, Long John Silver's president; Mike Rose, Holiday Inns president, and Howard Varner, Host International president.

Further details on the upcoming Oct. 24-27 MUFSO program and registration information can be obtained from Ilene Stargot, MUFSO coordinator, *Nation's Restaurant News*, 425 Park Avenue, New York, N.Y.

Las Vegas bites recessionary bullet

By Rurick Telberg

LAS VEGAS—This gaming capital is feeling the effects of prolonged recession for the first time since gambling was legalized, depressing both hotel occupancy rates and restaurant traffic.

"Hotels are the biggest business here, and it's got to dribble down to everything else," said Mark Euffa, manager of the 385-seat Alpine Village Inn restaurant.

"Usually with a recession, like the one in '64, we never feel it," he said. "But this one has gone on so long I guess we're not immune anymore."

"The economy, in terms of tourist travel, is basically flat," said Charles Fleming, manager of the Greater Las Vegas Chamber of Commerce, "and that's in an economy that's used to 5% to 10% growth a year."

Unemployment is pacing the national average at about 10%, caused mainly by a decline in occupancy at the hotels of seven percentage points to 71% in the first quarter.

Convention traffic is weak, pushing the bottom line of chains like Hilton Hotels downward. Horn & Hardart recently all but shut down its Royal Americana after an investment of over $20 million. But the casi-

(Continued on page 73)

Ramada adds 3rd line serving midpriced market

By Charles Forman

PHOENIX—Ramada Inns is adding to its hotel group's arsenal of Inns and Renaissance properties a third class of lodgings, designed to serve midpriced markets in medium-sized cities and at airports.

Called Ramada Hotels, the first units of the new concept opened last month in Peoria, Ill., and Troy, Mich.

The 18-story unit in downtown Peoria, population 150,000, has 185 guest rooms and two restaurants. It actually represents the repositioning of an earlier Ramada unit, after a $1.2 million renovation.

Other new hotels will have upward of 200 guest rooms; the 24-story Troy unit has 220.

Before the end of the year Ramada Hotels are scheduled to open in Rockville, Md.; Minneapolis and St. Paul; Orlando; Houston; San Francisco; Toronto; Memphis; Falls Church, Va., and Culver City, Calif.

Company plans call for 50 Ramada Hotels by the middle of next year and a total of 110 by the end of 1985.

The new units will be mid- and high-rise properties. They will have more meeting space and recreational facilities than Ramada Inns and offer expanded hours for room and bell service.

The new Hotels classification will give Ramada three distinct rate groups in some markets,

(Continued on page 74)

Reynolds buys two bagel units

By Rurick Telberg

WINSTON-SALEM, N.C.—R. J. Reynolds, diversified parent of Del Monte and Service Systems, has purchased two Skolnik bagel restaurants in the southern New Jersey suburbs of Philadelphia.

Reynolds officials say they have not finalized plans for development of the concept, but they are known to be searching for a president to get such development off the ground.

"We're looking at this strictly as a venture," commented Mike Traphagan, a spokesman for R. J. Reynolds. "We haven't made up our minds on it."

Except for a public restaurant operated by Buffalo-based Service Systems, R. J. Reynolds operates no business similar to Skolnik's, Traphagan said.

R. J. Reynolds purchased the restaurants from the estate of the deceased founder who had opened the first one a year and a half ago at the Montgomery Mall. The other Skolnik's is at the Court Mall in King of Prussia.

Skolnik's offer 10 kinds of bagels and eight spreads for both sitdown and take-out eating. A dozen bagels by the bag, for example, sells for.

Tony Zúffuto, until recently on the corporate planning staff of R. J. Reynolds Development Corp., was named director of new business to operate Skolnik's.

R. J. Reynolds Development Corp. is a subsidiary of R. J. Reynolds Industries Inc.

Village Inn discloses plans to go public

By Joe Edwards

DENVER—Village Inn Pancake House says it is about to go public, adding its name to the growing list of private food-service companies which are raising cash through public stock offerings.

An offering will be made sometime within 90 days, the exact date depending on market conditions, a Village Inn spokesman said in late June. The cash raised through the offering will be used "primarily for expansion purposes," he added.

In a message in the company's annual report for fiscal 1981, company executives hinted that a public offering was in the works.

"Our restraint in the development of new units caused a measurable increase in our effective tax rate by limiting the amount of tax credits generated by new development," the message said. In fiscal 1981, pretax income rose 29% but net income was up only 6%.

Village Inn, a family restaurant chain specializing in pancakes and other breakfast items, has 188 restaurants in 26 states. Unit expansion has been very modest lately with the company adding fewer than 10 new restaurants a year in recent years.

Of the 188 Village Inn units which will be operating by the end of the current fiscal year Oct. 25, 58 will be company-owned and the rest franchisee-operated.

Village Inn is projecting a 20% increase in net income to $2.3 million on a 20% rise in revenues to $50 million for fiscal 1982. Systemwide sales are expected to climb to $140 million, up from $117.4 million in fiscal 1981.

Since early 1981, there has been a rush by private food-service companies to go public. Industry analysts and the companies involved have cited several reasons, primarily the restrictive costs of borrowing money.

Going public is seen as the easiest way for companies to raise cash to finance unit expansion. Among companies that have made public offerings in the last 18 months are Godfather's Pizza, Garcia's, Pizza Ventures, Big Bite Inc., Kelly-Johnson Enterprises, Skipper's and Pizza Time Theater.

HIGHLIGHTS IN THIS ISSUE

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COMMODITIES

Pork hits all-time high; Feed grain prices drop

Pork is in the news. In the final days of June, the red meat hit an all-time high for the year of $1.29 per pound at the Midwest slaughter houses for large loins (14-17 lb.). The price fell off quickly by four or five cents, but the runup quotes were based upon news that farmers had reduced their pig inventories by 13% over last year.

While this news shot prices up, they did not hold at that level because demand for pork had weakened over the previous several weeks that it had climbed above the "magic" $1.10 level. When consumer demand in the supermarkets and butcher shops falls off, pork, even with smaller numbers being slaughtered, backs up in the pipeline and food-service operators get the benefit of temporary dips in the market prices. This is what we refer to as "yo-yo" action.

Beef also had a runup, because price hikes in beef traditionally follow price hikes in the competitive pork. This time, however, the beef prices decayed before those of pork, and at the end of June, beef was hovering in the $1.06-$1.07 levels. One of the contributions to the rise in pork prices was the concurrent problem of Denmark with hoof and mouth disease, which caused the U.S. Department of Agriculture embargo all Danish pork until late in June (and negotiations are still going on at the time *NRN* goes to press). Danish pork does not amount to a great deal of the American market, but with domestic pig inventories down 13%, any other drop in pork supply is quickly felt.

Another side to the pork picture is the small increase received by farmers for their pigs when the market jumps by over 12% in price in a month. In that same time, the increase in price paid to the farmer for a carcass at the slaughterhouse was only a little over 3%. The market for hogs is now about $60 per hundredweight, a level at which most farmers find they can make a small profit on raising the animals. But it takes time for the wary farmer to launch into large scale production again; on the basis of an increase that might be momentary. The carcass price will have to stay at or above $60 for a couple of months before the farmers change their intention to reduce inventory.

In this month's "Price Movement at a Glance" chart, we have tracked four of the important feed grains which affect the supply of beef, pork and poultry. The feed grain situation this year is excellent. Although June rain in the winter wheat areas slowed down harvesting and might have caused some damage, th supply of this year's harvest should be up about 1.6%. There have been good crops in Canada also. While Russia has had the fourth poor crop year in a row, the present administration's "hard line" on trading makes it unlikely that large quantities will be exported to drive the price up.

In general, prices of all grains except hard winter wheat have come down over the past year. Further drops are liekly through tot he end of the year if the U.S. Department of Agriculture estimates are borne out. Soybeans will be affected by the big Brazilian crop of last season, which has depressed the world market to some degree. One unknown is the Chinese appetite for American wheat. One large order has already been placed in the United States and analysts are waiting to see if this heralds the beginning of a major Chinese wheat acquisition.

Low grain prices ar responsible for the poultry industry being able to sell profitably at prices nearly 18% lower than last year at this same time. As long as feed prices stay down, the prices of broilers will tend to remain below year earlier levels.

The apricot crop in California is up by about 16% over a very poor 1981 crop. . . . Lamb and mutton have profited by the high prices of beef and pork; lamb and mutton slaughter is up by 5% so far this year. . . . The National Academy of Sciences recent report on the affects of salt and fat in the diet upon the tendency for cancer was poorly supported by new testing evidence, but will probably affect the dietary habits of many customers.

PRICE MOVEMENT AT A GLANCE

	June 25, 1981	May 25, 1982	June 25, 1982
Beans, pinto dry, Colorado (cwt.)	$43.50-44.00	$15.50-16.00	$15.00
Beef, Choice 700-900 lb., Midwest (lb.)	$ 1.12	$ 1.14	$ 1.075
Broilers, Grade A, icepack, NYC (lb.)	$ 0.5999	$ 0.4818	$ 0.4939
Coffee, Arabica, green beans, NYC (lb.)	$ 1.15	$ 1.38	$ 1.42
Pork loins, 14-17 lb., Midwest (lb.)	$ 1.07	$ 1.165	$ 1.25
Shrimp, canned, small 24/4-½ oz.)	$33.00	$34.00-35.00	$36.00-37.00
FEED GRAINS Corn, #2 yellow, Illinois (bu.)	$ 3.035	$ 2.60	$ 2.565
Sorghum, #2 Gulf (cwt.)	$ 5.67	$ 5.25	$ 4.68
Soybeans, #1 yellow, Illinois (cwt.)	$ 6.605	$ 6.305	$ 6.13
Wheat, #2 hard, Kansas City (bu.)	$ 4.19	$ 4.1075	$ 4.145

Source: NRN Research

Prices listed are packers' f.o.b. plant, unless specified and do not represent the prices paid by the operator. This list is only a reference to indicate price trends against benchmarks of one year ago and one month ago. Products listed are those showing marked movement in price.

This Tequila Willie's' high sales figures has made it one of Grace's hottest properties.

El Torito plans rapid growth for thriving Tequila Willie's concept

By Richard Martin

MANHATTAN BEACH, Calif.—El Torito, rapidly moving ahead with expansion of its Tequila Willie's concept, has opened one of the new units here and the Mexican cantina-style restaurant is racking up sales figures which place it among the highest grossing operations in W. R. Grace's food-service fleet.

Billed as a saloon and grill, Tequila Willie's did a reported $565,000 in sales its first month out, with volume stabilizing at 80% of that figure in its next two months of operation. Company officials place liquor sales at a hefty 65% of total business thus far.

The hybrid menu, which includes deli sandwich and soup combinations at lunch, as well as ribs, seafood and stuffed potatoes, is priced to bring in an average check of $6.08 at dinner and about $4.50 at lunch. Peak-day averages are about 1,200 dinners and 500 lunches, with week-day levels lower by about 30%.

Because of the demographics of this coastal suburb of Los Angeles, the slant in layout and design of Tequila Willie's has been toward bar sales. Of the 510-seat capacity, 385 are allocated to liquor service areas. El Torito officials figure this ratio is right for the young, professional population base here. The same is thought true of the Sacramento and West Palm Beach, Fla., markets where Tequila Willie's are opening.

Located in the new Manhattan Village mall complex, the 14,000-sq.-ft. restaurant (9,600 sq. ft. indoors) opened in April at a cost of $3.5 million. Resembling a typical El Torito unit on the outside, the interior space incorporates mostly nonethnic flourishes—weathered brick, neon, oak and brass—for an overall effect that is almost gaslamp Victorian in a frontier setting.

The first Tequila Willie's was a conversion of a one-and-a-half-year-old El Torito in Dallas about eight months ago. Company sources report some problems there in adjusting the menu to regional tastes. Sales are reportedly averaging $170,000 a month, 55% of that in the bar.

The Manhattan Beach design is the prototype for five other units, including restaurants in the Detroit area and Denver, opening this fall, and the Sacramento and Florida stores just now opening. The fifth, in Tucson, Ariz., opened about two months ago.

El Torito vp and chief financial officer M. M. Casey indicates that 30% of all future El Torito units will be Tequila Willie's. Although conversion of some existing El Torito outlets to the Tequila Willie's concept has meant an increase in unit sales, Casey said, future TW's will be new construction since "the whole approach is integrated, difficult to accomplish in a conversion."

In the Manhattan Beach TW, four different bars serve as focal points for theme areas, each with its own atmosphere and identity. The main bar, an L-shaped loop with Victorian trappings and seating for about 50.

In an adjoining room with high, brick-faced walls and a skylight is the Bourbon Street bar, which includes a raw bar for appetizer service of crab legs, clams, oysters and shrimp at market prices.

A neon sign announces "Our famous Chili & Steak Taco Bar," a small liquor bar along the back wall of the main barroom, with a grill for Mexican ap-

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N.Y.C. steakhouses: new advertising war

By Joe Edwards

NEW YORK—Highly competitive upscale Manhattan steakhouses have started another war of words with the placement of costly full-page ads in *The New York Times*.

These latest ads, placed by The Assembly, Nickels and Joyce's, are less pugnacious than some of the steakhouse ads which have appeared in the past, concentrating on food quality rather than taking potshots at competitors.

The Assembly's ads, which are part of a fresh-food campaign that's been running off and on for months, feature owners Brad Ossip, Jerry Ossip and Bal Golden shopping for fish, vegetables and fruit at various markets in New York.

Situated in Rockefeller Center in midtown, The Assembly has adopted the slogan, "More Than A Great Steak House." Earlier this year, co-owner Golden explained that even longtime steakhouse customers are opting for lighter entrees such as veal, chicken and seafood.

Cost pressures also are factor in upscale steakhouse operators' decision to push nonbeef items. The price of prime beef is so high that even with menu prices of $20 or more for a 1-lb. sirloin, food costs are more than 60%.

Nickels, a newcomer to *The Times*' pages, uses the line "It's rare to find a steak that's done well." The Upper East Side restaurant claims to serve "the finest prime steaks in New York." Nickels' ads also list seafood, chicken and veal dishes.

Joyce's, situated on the east-side in midtown near other upscale steakhouses, is advertising itself as both a seafood and steak restaurant.

In the past few years, *The Times* has been the forum for sometimes heated advertising by upscale steakhouses. Operators have claimed that their steaks are better quality or less expensive than the competition's.

Among the leading upscale steakhouses in the city are Sparks, Pen and Pencil, U.S. Steakhouse, The Palm, The Assembly, the Post House, Smith and Wollensky, Christ Cella and The Cattleman.

Full-page ads in *The Times* cost between $12,000 and $17,000 each, depending on placement, according to one estimate.

Taubman moving A & W's headquarters to Detroit

SANTA MONICA, Calif.—The new owner of A & W, one of the oldest names in the industry, plans to move the operation's home office to his headquarters near Detroit by the end of the year, a spokesman for the restaurants said.

A. Alfred Taubman, the shopping mall developer who bought A & W from United Brands earlier this year, hopes to strengthen his personal control over the 900-unit drive-in chain, the source said.

Taubman, whose home base is Troy, Mich., is one of the most important shopping mall developers and managers in the country.

He is expected to hasten the research and development of a new concept for A & W restaurants which has been in a holding pattern for the last several years as United Brands searched for a buyer. Two test units are in his malls.

He is also expected to name as president an executive with broad experience in franchising.